PROVINCE OF SASKATCHEWAN

# 08-09

## ANNUAL REPORT

**ENTERPRISE SASKATCHEWAN**

# Table of Contents


Letters of Transmittal from the Minister and Chief Executive Officer ..... 3

Introduction ..... 4

Alignment with Government's Direction ..... 5

Agency Overview ..... 6

Progress in 2008-09 ..... 7

- Significant Achievements in 2008-09 ..... 7
- Progress by Core Business Area ..... 8

2008-09 Financial Overview ..... 16

- Ministry of Enterprise and Innovation
  - Schedule of Expenses ..... 16
  - Revenues ..... 18
  - Third Party Funding ..... 19
- Enterprise Saskatchewan
  - Auditor's Report ..... 20
  - Financial Statements for the Eight-Month Period Ended March 31, 2009 ..... 21

For More Information ..... 29

Appendices ..... 30

- Loans and Guaranteed Debt ..... 30
- Loan Disclosure ..... 31
- Organizational Chart ..... 32

# Letters of Transmittal from the Minister and Chief Executive Officer

The Honourable Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it please your Honour:

Enterprise Saskatchewan has been in official operation for almost a full year now as the key economic development agency in the province. It has been a busy and interesting year. We have seen the global economy go through tremendous struggles, and although not immune to those downturns, Saskatchewan continues to emerge as an economic leader.

Over the last year, Enterprise Saskatchewan has achieved a number of accomplishments including appointing a Board of Directors, and creating 18 sector teams and three strategic issues councils. Regional economic programs have been overhauled, creating 13 new Enterprise Regions in the province.

There have been a number of recommendations forwarded to government from Enterprise Saskatchewan that have been vital to ensure our economy can continue to stay competitive and prosperous – in both the short-term and the long-term.

We are committed to making sure there is sustainable economic growth, attracting more people to the province and creating thriving businesses and opportunities for Saskatchewan people.

I respectfully submit the Annual Report of Enterprise Saskatchewan for the fiscal year ending March 31, 2009.

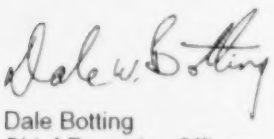
The Honourable Ken Cheveldayoff
Minister Responsible for Enterprise Saskatchewan

---

The Honourable Ken Cheveldayoff
Minister Responsible for Enterprise Saskatchewan

Dear Sir:

I have the honour of submitting the Annual Report of Enterprise Saskatchewan for the fiscal year ending March 31, 2009. This report has been prepared and carefully reviewed under my direction, and accurately represents the activities and accomplishments of our agency during the past year.



Dale Botting
Chief Executive Officer
Enterprise Saskatchewan

# Introduction

This annual report represents Enterprise Saskatchewan's activities and results for the fiscal year ending March 31, 2009. It reports progress made on public commitments and other key accomplishments of the agency.

As the Government of Saskatchewan's central economic development agency, Enterprise Saskatchewan works directly with industry and other stakeholder groups to build on competitive strengths and overcome obstacles to sustainable economic growth. We also play an important co-ordinating role with other ministries and Crown corporations to ensure that policies and priorities across government are aligned with the economic growth agenda.

The creation of Enterprise Saskatchewan from the Ministry of Enterprise and Innovation was completed part way through the year on December 1, 2008.

This report will contain two sets of financial figures: one for the Ministry of Enterprise and Innovation, and one for Enterprise Saskatchewan. Programs governed by legislation and regulations that were part of the Ministry of Enterprise and Innovation's mandate were not transferred to Enterprise Saskatchewan, but are administered by Enterprise Saskatchewan on behalf of the Minister of Enterprise and Innovation. These programs are funded under Vote 43 and will continue to require separate financial reporting under that heading.

The 2008-09 Annual Report follows a similar format to the 2007-08 Annual Report, but also reports on Enterprise Saskatchewan's achievements related to the government's vision and three goals. The 2009-10 Annual Report will be based on strategies and actions identified in the agency's plan for 2009-10. Subsequent sections of this report describes how Enterprise Saskatchewan aligns with government's strategic directions, provides an overview of the agency, highlights significant achievement and progress by core business areas, and provides an overview of financial performance.

The 2008-09 Annual Report sets the stage for the 2010-11 planning and budget process by providing an opportunity to assess accomplishments, results and lessons learned, in order to build on past successes for the benefit of Saskatchewan people.

## Mission Statement

Enterprise Saskatchewan provides leadership as the central co-ordinating agency of the Government of Saskatchewan for economic development. In partnership with key stakeholders, Enterprise Saskatchewan advances a transformative sustainable economic growth agenda and develops a culture of innovation and entrepreneurship that encourages investment and population growth, creating prosperity for all Saskatchewan residents.

## Values Statement

Enterprise Saskatchewan's culture is driven by its values: collaboration, excellence, integrity, innovation and accountability. The agency's success is embodied by open communication, teamwork and actions that are transparent and consistent. Each employee is responsible for taking personal ownership in living these values. The organization is committed to providing work-life balance, developmental opportunities and a supportive work environment.

### Collaboration

Our strength is collaboration with each other, our clients and stakeholders across both the public and private sectors in achieving our objectives.

### Excellence

We strive to provide the very best and creative ideas, programs and services to our clients and stakeholders, both within and outside of government.

### Integrity

We conduct our business in a professional manner by communicating openly, treating people consistently with respect, being honest and trustworthy, and respecting diversity.

### Innovation

We seek creative solutions by having fun, encouraging risk-taking and being resourceful to enhance Saskatchewan's business environment.

### Accountability

We take actions that are consistent with our values, accept responsibility for our actions, hold each other accountable and take pride in achieving meaningful results.

# Alignment with Government's Direction

The agency's 2008-09 Annual Report demonstrates how Enterprise Saskatchewan aligns with government's vision and three goals:

## Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

## Government's Goals

- Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.
- Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.
- Keep government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Enterprise Saskatchewan is primarily concerned with creating conditions that foster sustainable economic growth in Saskatchewan. As mandated in its legislation, Enterprise Saskatchewan undertakes activities to continuously improve the competitiveness of Saskatchewan's business environment. Favourable conditions for economic growth provide the kind of opportunities that will allow Saskatchewan people to look confidently to the future. Economic growth, in turn, provides revenues to government that fund the programs and services associated with Saskatchewan's high standard of living.

Enterprise Saskatchewan is committed to being transparent and accountable to the people of Saskatchewan. The agency is led by an independent Board of Directors who represent a diverse range of interests and are truly a cross-section of Saskatchewan's economic stakeholders. The board is informed by the recommendations of numerous sector teams and strategic issues councils, which are comprised of private sector volunteers whose work represents an additional level of direct public involvement in Enterprise Saskatchewan's activities. Through these structures, and through semi-annual board progress reports as well as this annual report, Enterprise Saskatchewan remains open and accountable to the people of Saskatchewan.

Together, all ministries and agencies support the achievement of government's three goals and work towards a secure and prosperous Saskatchewan.

# Agency Overview

Enterprise Saskatchewan is the central economic development agency of the Government of Saskatchewan. It was formally established on August 1, 2008 and completed its transition from the former Ministry of Enterprise and Innovation on December 1, 2008. Enterprise Saskatchewan functions as a special operating agency, which allows greater administrative and managerial freedom than would be possible as a line ministry, and enables the organization to achieve higher levels of client service and improved operational results. The 12-member Board of Directors consists of leaders representing diverse interests, including: business, labour, Aboriginal, rural municipalities, urban municipalities; post-secondary education, resource industries and agriculture. As well, there is one member-at-large and, by legislation, the Minister of Enterprise and Innovation and another member of Cabinet.

Enterprise Saskatchewan bears the responsibility to co-ordinate and develop programs and policies of the provincial government to encourage the growth and expansion of Saskatchewan's economy. The Minister's mandate letter outlines the following priorities:

- Review key sectors of Saskatchewan's economy to identify barriers to growth and make recommendations to government for their removal.
- Measure and report on Saskatchewan's tax and regulatory environment to ensure that Saskatchewan's economy remains competitive within the New West.
- Facilitate direct partnerships between post-secondary institutions and industry to address training needs in growth sectors of the economy.
- Create Innovation Saskatchewan to co-ordinate government support for research, development and the commercialization of innovation in priority areas.

The following key services are delivered by Enterprise Saskatchewan:

- Sector Development and Innovation – Based on recommendations from sector teams of external industry advisors, this division works to increase the growth and competitiveness of key economic sectors. Work also focuses on innovation and commercialization, strategic management of research spending and related infrastructure, technology transfer and productivity improvement.
- Competitiveness and Strategy – Provides policy advice to government on cross-cutting issues affecting economic development, based on recommendations from stakeholder-led strategic issues councils. The division also identifies economic growth measures, tracks ongoing performance and reports publicly on progress. The division leads the regulatory modernization agenda and related online services to business such as BizPaL and the new *Your Voice - Saskatchewan Regulations* consultation website.
- Marketing and Investment Attraction – Promotes Saskatchewan as the best place to live, work, operate a business and invest. The division co-ordinates activities with other partners to attract investment through effective co-branding, co-marketing, and strategic and aggressive promotional and sales efforts.
- Regional Enterprise – Delivers the Enterprise Regions Program to help each region to increase business and industry competitiveness, realize economic potential and compete globally.
- Corporate Services – Administers programs such as the Western Economic Partnership Agreement and the Community Development Trust Fund, and provides corporate services, including: finance, human resources, information technology, legal and board services, and contract administration.

As the central economic development agency of the Government of Saskatchewan, Enterprise Saskatchewan works with all ministries, Crown corporations and agencies, as well as with a diverse group of stakeholders that includes business associations, Chambers of Commerce, individual businesses and other stakeholders with an economic interest. Enterprise Saskatchewan provides its services through main offices in Saskatoon and Regina and six regional offices across the province.

# Progress in 2008-09

The results in this section demonstrate Enterprise Saskatchewan's achievements in 2008-09. As this represents a transition year, many of the agency's accomplishments were of a formative nature, laying the foundation for policy development that will yield sustainable economic growth in the years ahead. Nonetheless, Enterprise Saskatchewan's activities produced a number of significant achievements that are highlighted below.

## Significant Achievements in 2008-09

### Sector Development and Innovation

- Eighteen sector teams were established in 2008-09, based on the key sectors of the economy. Each team is comprised of seven to nine members who are active in the respective sectors and can provide expert advice. As of March 31, 2009, all sector teams had held at least two meetings. Several important recommendations have been advanced for consideration by the Enterprise Saskatchewan Board.

- In partnership with the Canadian Manufacturers and Exporters, a proposal was developed and funded through the Western Economic Partnership Agreement for an Advanced Manufacturing Centre in Saskatchewan. The centre was launched in June 2008 and provides assistance to Saskatchewan companies in the areas of productivity improvement and human resource development.

- Held 26 stakeholder consultations for input into the design and role of Innovation Saskatchewan. Legislation to create the new agency was tabled on November 26, 2008.

- Participated in trade missions to promote Saskatchewan's life sciences sector in Ireland, San Diego, Minneapolis and Kansas City. Several business and research opportunities resulted from these missions.

### Competitiveness and Strategy

- The Regulatory Modernization and Entrepreneurship strategic issues councils have been established and are actively developing new strategies. Much of the preparatory work for launching the Youth Economic Engagement council was also completed.

- Provided detailed analysis of a number of important issues to support the work of the Enterprise Saskatchewan Board. Significant research was completed related to the design of the provincial tax system and the use of tax incentives to support economic development.

- Significant developmental work was completed on a public consultation website called *Your Voice - Saskatchewan Regulations*. Once the website is launched in September 2009, all ministries, Crowns and agencies will post regulatory proposals for public review and comment prior to implementation.

- In co-operation with the Ministry of Highways and Infrastructure, developed a tool that introduces a weighting for economic development considerations to road construction/maintenance planning processes.

### Marketing and Investment Attraction

- Working with the Ministry of Advanced Education, Employment and Labour, and Tourism Saskatchewan, Enterprise Saskatchewan organized and participated in two recruitment and investment attraction missions in Toronto, London and Windsor, Ontario. The missions have yielded over 100 new employees for Saskatchewan companies, communicated positive messages about Saskatchewan to an audience of over 100 million people (print, broadcast and online), and have generated media coverage equivalent to $2.8 million in paid advertising.

- Organized ministerial missions to India, Ireland, Europe, China, Japan, Korea and various U.S. markets. The missions have supported or resulted in discussions regarding investments in Saskatchewan companies, the opening of new enterprises in Saskatchewan and increased access by Saskatchewan companies to foreign capital. These missions resulted in reciprocal delegations visiting Saskatchewan, with Enterprise Saskatchewan hosting over 60 follow-up meetings with incoming investment delegations.

- Generated positive media for Saskatchewan abroad, including coverage on BBC Radio, Bloomberg, BioBusiness Magazine, and Exploration and Processing Magazine. Additional media coverage promoting Saskatchewan occurred with the Financial Times, the Wall Street Journal and CNN.

### Regional Enterprise

- The new regional economic development initiative, called the Enterprise Regions Program, was launched on August 5, 2008. All 13 Enterprise Regions (ERs) were established within the fiscal year. The ER program was established to replace the Regional Economic Development Authority (REDA) Program. Provincial funding to the 27 REDAs ceased as of March 31, 2009.

- Funding made available for economic development under the ER program was doubled, from $2.5 million to $5 million.

- The new ER program focuses on sustainable economic growth by supporting regional businesses and industries, and by creating competitive advantages at the regional, national and international level.

- The ER program has been designed to allow regions to determine how they will best serve the economic development needs of their respective region and how they will organize and govern themselves. The new ERs will include a broad cross-section of representative board members from key components of the region.

### Corporate Services

- Led the formal establishment of Enterprise Saskatchewan as a corporate entity, including all the financial, human resource, information technology and legal requirements.

- On behalf of the Minister, amended the Labour-Sponsored Venture Capital Corporations (LSVCC) Regulations to increase the annual limit on capital that can be raised by the two provincial LSVCC funds to $50 million per fund. This change will allow greater opportunity for all Saskatchewan residents to invest in the funds, and will increase the supply of venture capital for small and medium-sized businesses in the province.

- Finalized a new Western Economic Partnership Agreement (WEPA) for federal/provincial collaboration on funding of initiatives in four priority areas: business productivity and competitiveness, technology commercialization, community and regional development and diversification, and trade and investment.

- Established operating guidelines for the new Community Development Trust Fund (CDTF) Program, which will distribute $36.4 million over three years to areas of the province hardest hit by international economic volatility. The program is focused on four main areas: infrastructure, regional planning, job training and skills development, and value-added research in the forestry sector.

## Progress by Core Business Area

### Sector Development and Promotion

Enterprise Saskatchewan pursues investment attraction and business expansion leads in the strategic sectors of the economy. Staff provide support for the major project co-ordination processes of the Cabinet Committee on Economic Development and act as project expediters to co-ordinate and streamline government's response to major project opportunities. Enterprise Saskatchewan staff also work directly with industry to support the growth of key sectors of the economy by raising awareness of business and employment opportunities and finding solutions to business impediments.

### Results

- The Resource and Manufacturing Sectors Branch handled over 100 investment attraction requests from companies considering setting up operations in Saskatchewan. Investment attraction successes in 2008-09 included the decision by Flat Boy Industries to set up a 15,000-square-foot manufacturing facility in Mortlach, and the establishment of Taiji Resources' corporate headquarters in Saskatoon.

- Organized and hosted Saskatchewan's third annual Manufacturing Week in May 2008. The event was attended by over 200 manufacturers and included tours of Saskatchewan Institute of Applied Science and Technology (SIAST) and Saskatchewan Indian Institute of Technologies (SIIT) campuses, as well as a number of other events held in Saskatoon, Swift Current, Humboldt, Regina and Moose Jaw. The Corporate Procurement Committee and Enterprise Saskatchewan sponsored a luncheon event at which 70 companies received instruction on "How to Sell to the Saskatchewan Government," and met with purchasers from the Crowns and government. Twenty Saskatchewan manufacturing companies were profiled in newspaper inserts that ran in Regina and Saskatoon, as well as London and Windsor, Ontario, during Manufacturing Week.

- Undertook considerable work with educators and the provincial education institutions to profile the manufacturing, oil and gas, and mining sectors as vibrant industries with numerous career opportunities. Participation in career conferences, work with the Saskatoon District Industry Education Council in programs like the Summer Youth Internship Program, Future Paths Project, and Spot Light on Careers information days has assisted in highlighting the opportunities in these sectors.

- Conducted over 250 client visits with the business community in the last year. Most of these visits were to address specific issues that companies were facing such as infrastructure needs, financing, expansion plans and removal of government impediments.

## Industrial and Regional Benefits

The Industrial and Regional Benefits (IRB) Policy provides the framework for using federal defence procurement to lever long-term industrial and regional development within Canada. Under the IRB Policy, winning contractors are required to make investments in advanced technology sectors of the Canadian economy in an amount equal to the contract value. Enterprise Saskatchewan actively seeks opportunities for Saskatchewan manufacturers, research facilities and training institutions under Canada's IRB Policy.

### Results

- Enterprise Saskatchewan was instrumental in securing $1.5 million in industry investment to support SIIT's Aerospace Maintenance Engineering program through the federal government's IRB Policy.

## Competitiveness

One of Enterprise Saskatchewan's primary responsibilities is to monitor the provincial business environment and recommend policy options to ensure that Saskatchewan is among the most competitive business climates in the country. This work is accomplished by encouraging the adoption of client service-oriented, business-friendly policies and practices throughout government, and by advancing recommendations of private sector stakeholders serving on strategic issues councils and sector teams.

### Results

- In partnership with the Ministry of Finance, conducted an assessment of Saskatchewan's tax competitiveness for the Enterprise Saskatchewan Board. The board's subsequent recommendation to make the 15 per cent Saskatchewan Research and Development Tax Credit refundable was implemented.

- Conducted extensive stakeholder surveys to identify regulatory barriers and issues affecting entrepreneurs. Possible solutions emerging from the surveys were directed to sector teams and issues councils for further consideration and action.

- Produced a Competitiveness report documenting Saskatchewan's performance relative to other provinces for factors that influence business location decisions.

- A sector and regional policy group was established to provide analysis and research support to sector teams and regional initiatives. The group also supports Enterprise Saskatchewan Board deliberations by thoroughly evaluating proposals prior to consideration by the board.

## Regulatory Modernization

Enterprise Saskatchewan leads the province's regulatory modernization agenda with advice from the Regulatory Modernization Council. The agency supports other ministries in determining business impacts for proposed new and amended regulations. Enterprise Saskatchewan is leading the development of the *Your Voice - Saskatchewan Regulations* website to increase transparency in regulation development. In partnership with Information Services Corporation, Ministry of Justice, Ministry of Finance and the Information Technology Office, Enterprise Saskatchewan is advancing a one-stop business registration website.

### Results

- Worked with the Ministry of Finance to develop the Taxpayer Service Commitments and Standards Code. Other ministries and agencies have been urged to implement similar customer service standards codes.

- A Request for Proposal was issued and a vendor selected to build a business case for a one-stop business registration website.

## BizPaL

BizPaL is an easy-to-use interactive website developed through a collaborative effort of federal, provincial and municipal governments. The website helps clients quickly identify permits, licences, registrations and approvals required by all three levels of government for user-defined business activities. BizPaL helps entrepreneurs save time when starting or expanding a business, and helps them to comply with regulatory requirements.

### Results

- Expansion across the province continued in 2008-09 with the addition of seven new municipalities to the BizPaL partnership and an additional 206 industry sectors being added to the system. Participation was also solicited from 80 new jurisdictions.

- Closely related to the BizPaL project, an inventory was taken of 745 'approvals' defined in Provincial Acts and Regulations. These approvals were compiled into a database and will be rationalized with existing BizPaL information, approval processes and fees.

## Economic Analysis and Measurement

The Economic Analysis branch was transferred from the Ministry of Energy and Resources effective October 1, 2008, to provide support to Enterprise Saskatchewan's economic measurement and reporting mandate. The branch tracks and assesses monthly economic indicators, completes economic impact assessments of major projects, and is a source of economic statistical expertise for Enterprise Saskatchewan, ministries and the public.

### Results

- Utilized an input/output model to assess the economic impacts of initiatives such as the Clarence Campeau Development Fund.

- Completed reports on economic performance and an economic overview of the manufacturing sector.

- Completed detailed analysis of rural highways based on economic development factors.

## Marketing and Communications

The Marketing branch implements marketing strategies that promote Saskatchewan generally as a good place to do business. The branch carries out sector-specific promotion activities such as tradeshows and advertising, produces promotional materials in various languages. The Communications branch conducts out-of-province non-paid media relations activities.

### Results

- Developed investment attraction marketing materials under the *Saskatchewan: Opportunity Now* slogan, including videos, brochures and memory sticks. These materials have been used by senior government officials on trade missions around the world.
- Collaborated with Saskatchewan Trade and Export Partnership to produce an integrated flash drive project to promote investment, exports and tourism.
- Prepared and issued 81 news releases on good economic news, program announcements and Enterprise Saskatchewan results.
- Developed *Enterprise Now*, a new publication to promote Saskatchewan businesses and successes. The publication is printed on a quarterly basis and distributed in-province and available online.

## Regional Economic Development Authorities (REDAs)

Enterprise Saskatchewan provided funding and support to 27 REDAs in the province. REDAs access grant funding, based on matching dollars, to provide economic development services in their regions. The REDA Enhancement Fund (REF) provided further funding on a project proposal basis for special development projects undertaken by REDAs. Projects included opportunity identification, pre-feasibility and feasibility studies, and development of business and marketing plans, for a wide variety of community-owned projects.

### Results

- REDAs were actively involved in more than 150 business and economic development projects and initiatives in 2008-09. Since 2003-04, similar projects and initiatives have yielded capital investment totalling more than $250 million and contributing to the creation and maintenance of more than 1,100 jobs.
- In 2008-09, 14 projects and initiatives were approved for REF funding. Since 1998-99, REF funding has leveraged investment of more than $9.9 million for 261 projects in Saskatchewan, and has realized capital investment to date of more than $165 million in these projects. These projects have created 507 jobs and maintained more than 222 jobs.
- The REDA Program ended on March 31, 2009, and the core and project funding was added to the new monies announced for the Enterprise Regions Program.

## REDA Youth Employment Program

The REDA Youth Employment Program provided senior business students or recent business graduates with employment and mentoring opportunities and the opportunity to assist REDAs with their business development activities. Youth under 35 years of age were hired by the REDAs for a period of no longer than two years. As part of an apprentice component in partnership with Saskatchewan Economic Development Association (SEDA), youth received training toward an Economic Developer Certificate.

### Results

- Nine youth were hired by the REDAs in 2008-09.
- Since 1998, REDAs have created 178 employment opportunities for youth.
- Forty-six per cent of past participants have secured full-time positions in an economic development field.
- The REDA Youth Employment funding will be reallocated to SEDA in 2009-10. ES will enter into an agreement with SEDA to implement a Youth Apprentice Program across the province. SEDA will use the funding to leverage additional funds from the federal government and other organizations to create a larger, more effective program.

## Community Development Trust Fund (CDTF)

The CDTF provides financial support to communities that have been adversely affected by international economic volatility, particularly in the forestry sector. Enterprise Saskatchewan is responsible for administering the infrastructure and the regional planning components. Funding is intended to be used for community-based economic development infrastructure meeting the following criteria:

- Demonstrates a broad base of benefits to the community.
- Supports the diversification of the local economy.
- Absence of the infrastructure is an impediment to development for multiple businesses or for the establishment of a significant new business.
- The infrastructure is sustainable in the long-term once developed.

### Results

Enterprise Saskatchewan has approved 13 projects for a total commitment of $10.6 million. Investments have supported the following types of projects:

- Upgrading water treatment facilities to meet industrial and residential demand.
- Conducting feasibility studies for green energy projects, industrial developments and tourism initiatives.
- Constructing roads to service industrial sites.
- Renovating vacant properties to house new industries.
- Creating community economic development plans.

## Western Economic Partnership Agreement (WEPA)

WEPA focuses on increasing the competitiveness and productivity of the Saskatchewan economy, and continues the strong federal/provincial partnership that is helping Saskatchewan strengthen its key sectors. WEPA funding supports projects that provide businesses with additional tools to succeed in the knowledge-driven global marketplace. The second WEPA agreement expired in 2008-09.

### Results

- Eleven projects totalling $1.1 million were funded through WEPA II in 2008-09.
- WEPA II has funded 41 initiatives in total, over five years, providing $25 million in funding, which leveraged an additional $66 million from other sources.
- A new WEPA III agreement was formally signed on January 23, 2009, to provide an additional $25 million of provincial funding over four years. One project totalling $180,000 was funded under WEPA III in 2008-09.

## Strategic Investment Fund

The Strategic Investment Fund is used to support initiatives of strategic importance to the province, such as research capacity and the development of innovative products and processes.

### Results

- Enterprise Saskatchewan provided 10 investments through the Strategic Investment Fund in 2008-09, for a total of approximately $4.8 million.

## Saskatchewan Trade and Export Partnership (STEP)

Enterprise Saskatchewan provides operating funding to STEP in order to enhance the trade and export of goods, services, and technology from Saskatchewan. The current funding agreement will expire on October 31, 2010.

### Results

- In fiscal 2008-09, STEP provided over 2,500 qualified investment leads, helped 249 companies enter new markets, helped 141 companies to deepen their penetration in existing markets, and produced 250 customized market intelligence reports.

## Canada-Saskatchewan Business Service Centre (CSBSC)

CSBSC is a partnership between the governments of Canada and Saskatchewan to provide information and referrals on government programs, services and activities to new and existing businesses, including an extensive database and website. Saskatchewan's main CSBSC is located at the Saskatoon Regional Enterprise Centre, which is managed by ES. There are also 16 Regional Access Partners across Saskatchewan.

### Results

- Staff responded to 11,926 direct client inquiries and requests and contacted an additional 1,920 clients through participation in six trade shows.
- Information and assistance through the CSBSC website was provided to 519,928 clients.
- The Guest Advisor program was utilized by 194 clients for free consultation sessions with legal, accounting and business consulting professionals.
- Video conference facilities were utilized by 260 individuals in 42 sessions.
- One hundred seventeen presentations, with a total of 733 participants, were held for Business Immigrant Nominees under the Saskatchewan Immigrant Nominee Program.
- Thirty-five other presentations and tours were attended by 390 participants from schools, career colleges, private industry, etc.

## Saskbiz

The Saskbiz website provides interactive information tools for supporting investment attraction, site selection, and business and community economic development in Saskatchewan. It includes community and regional profiles to help investors decide where to locate facilities or expand their markets.

### Results

- The website at www.saskbiz.ca received an average of approximately 5,500 visits per month during 2008-09, which translated into about 20,000 page views per month. The average time spent on the website was a little over one minute per visit.

## Investment Attraction

Enterprise Saskatchewan undertakes activities to facilitate investment in Saskatchewan from Canada and abroad, and to help Saskatchewan businesses and research interests establish beneficial relationships with individuals, agencies and organizations outside the province. Ministerial missions abroad typically also include meetings with senior government representatives on issues of importance to Saskatchewan. For example, in India, Saskatchewan discussed trade enhancement measures in the areas of uranium, potash and oil resources. In Europe, the mission advanced the need for a Free Trade Agreement between Canada and Europe and highlighted concerns with existing barriers to trade.

### Results

- Several Ontario companies are currently in discussions with intentions to expand into Saskatchewan as a result of the missions to Toronto, London and Windsor, Ontario.
- Enterprise Saskatchewan helped to facilitate several significant foreign direct investments in Saskatchewan, including investments from India in Saskatchewan potash companies, and possible greenfield investments in life sciences and the environmental sector.
- International missions also supported commercialization of technologies such as Saskatchewan Research Council's work with Mahindra Mahindra in India.

## Programs Managed by Enterprise Saskatchewan on Behalf of the Minister

### Small Business Loans Association (SBLA)

The SBLA program encourages diversification of the Saskatchewan economy and supports community economic development. SBLAs are community-run organizations that provide funding to entrepreneurs that have difficulty accessing financing through traditional means. SBLAs can access interest-free revolving lines of credit of up to $200,000 to make loans of up to $15,000 to individual businesses.

### Results

- A total of 229 SBLAs are active in the province. More than 90 per cent of the program activity takes place in communities outside of Regina and Saskatoon.
- In 2008-09, the SBLA program provided more than $3.8 million in loan funding to 341 new and existing businesses. This led to the creation of 558 new jobs and the maintenance of 574 existing jobs.

The following table provides a summary of the activities of the SBLA program over the past five fiscal years:

**Small Business Loans Association Program**

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
|---|---|---|---|---|---|
| Total Number of Loans | 577 | 477 | 378 | 365 | 341 |
| Total Dollar Amount | $5,056,518 | $4,861,950 | $4,080,555 | $4,179,802 | $3,822,777 |
| Number of Jobs Created | 566 | 513 | 575 | 600 | 558 |
| Number of Jobs Maintained | 1,008 | 763 | 797 | 648 | 574 |

## Youth Opportunities Unleashed (YOU)

The YOU initiative was launched in June 2004 as an enhancement to the SBLA program and targets young entrepreneurs, aged 18 to 34. YOU supplements the funding available under the SBLA program with entrepreneurship training, and directs young entrepreneurs to services provided by partner organizations such as the Business Mentorship Institute (BMI).

### Results

The following results pertaining to young entrepreneurs were accomplished through the YOU program (incorporated in SBLA totals above):

- A total of 93 loans for $1.3 million were made in 2008-09.
- YOU has assisted over 442 businesses, leading to 1,441 jobs since start-up of the program.

## Invest in Saskatchewan Program

The Invest in Saskatchewan Program encourages Saskatchewan employees and individuals to invest in funds or pools of capital called Labour-Sponsored Venture Capital Corporations (LSVCCs). LSVCCs invest in Saskatchewan-based, small and medium-sized businesses. These investments assist job creation/maintenance and also provide a greater sense of control for employee groups, labour associations and other worker groups. All funds must meet investment pacing guidelines and other criteria in order to maintain their status as an eligible LSVCC.

Individuals investing in the shares of an LSVCC are eligible for both a provincial tax credit equal to 20 per cent of the cost of their investment and a 15 per cent federal tax credit on the first $5,000 invested in each year. There are two types of funds, which may be registered under the Act: Employee Funds encourage investment by employees in the firms that employ them; broad-based Pool Funds are sponsored by labour associations and are open to all residents of Saskatchewan.

### Results

- The LSVCC regulations were amended in December 2008 to increase the annual limit for each fund from $25 million to $50 million. This increase will allow larger pools of venture capital to be raised to assist in growing and expanding Saskatchewan's small- and medium-sized businesses.
- Employee Funds:
  - Seven employee funds raised $510,942 in 2008-09.
- Provincial Pool Funds:
  - A total of $57.5 million was raised from 20,084 investors.
  - Forty-eight investments totalling $32.9 million were made in 26 eligible companies.
- National Pool Funds:
  - Two hundred and fifteen investors contributed $425,711.

## Ethanol Fuel Grant Program

The Ethanol Fuel Grant Program is intended to promote the development of the ethanol industry in Saskatchewan by encouraging smaller ethanol production facilities and complementary industries (such as feedlot operations), addressing production cost differentials associated with blending ethanol with gasoline, and promoting the retail usage of ethanol-blended fuels.

### Results

- A total of $19.3 million was provided to six ethanol distributors during the 2008-09 fiscal year. This represents ethanol production of approximately 130 million litres.
- In 2008, Saskatchewan saw a decrease in ethanol production of 10 million litres due to unforeseen difficulties suffered by one small producer.

# 2008-09 Financial Overview

## Ministry of Enterprise and Innovation

## Schedule of Expenses

| Expenses | 2008-09 Estimate | 2008-09 Actual | Variance Over/ (Under) | Notes |
|---|---|---|---|---|
| | *in thousands of dollars* | | | |
| **Central Management and Services (E101)** | **$ 3,332** | **$ 2,114** | **$ (1,218)** | 1 |
| **Investment Programs (E103)** | | | | |
| Regional Economic Development Authorities | $ 2,770 | $ 1,793 | $ (977) | 1 |
| Enterprise Regions | 2,000 | – | (2,000) | 1 |
| SaskBIO | 3,000 | – | (3,000) | 2 |
| Small Business Loans Associations - Concessionary Allowance | 466 | 271 | (195) | 3 |
| Small Business Loans Associations - Loan Loss Provision | 667 | 126 | (541) | 4 |
| Western Economic Partnership Agreements | 5,080 | 560 | (4,520) | 1 |
| Strategic Investment Funds | 3,815 | 2,966 | (849) | 1 |
| Ethanol Fuel Tax Rebate | 21,000 | 19,281 | (1,719) | 5 |
| **Subtotal** | **$ 38,798** | **$ 24,997** | **$ (13,801)** | 1 |
| **Industry Development (E109)** | **$ 484** | **$ 1,944** | **$ 1,460** | 6 |
| **Regional Development (E104)** | | | | |
| Regional Development | $ 4,157 | $ 932 | $ (3,225) | 1 |
| Special Projects and Investment Services | 1,075 | 557 | (518) | 1 |
| **Subtotal** | **$ 5,232** | **$ 1,489** | **$ (3,743)** | 1 |
| **Policy and Planning (E102)** | **$ 944** | **$ 217** | **$ (727)** | 1 |
| **Enterprise Saskatchewan (E108)** | **$ 8,378** | **$ 22,123** | **$ 13,745** | 7 |
| **Saskatchewan Trade and Export Partnership Inc. (E107)** | **$ 2,936** | **$ 1,680** | **$ (1,256)** | 1 |
| **Budget Appropriation** | **$ 60,104** | **$ 54,564** | **$ (5,540)** | |
| **Supplementary Estimates** | **–** | **–** | **–** | |
| **Total Appropriation** | **$ 60,104** | **$ 54,564** | **$ (5,540)** | |
| Capital Asset Acquisitions | – | – | – | |
| Capital Asset Amortization | 27 | 27 | – | |
| **Total Expenses** | **$ 60,131** | **$ 54,591** | **$ (5,540)** | |
| **Total Revised Estimates and Expenses** | **$ 60,131** | **$ 54,591** | **$ (5,540)** | |

These financial schedules have been prepared in accordance with the government's accrual accounting policies.

## Financial Schedules – Notes

### Expenditures

1 Funds transferred to Enterprise Saskatchewan.

2 Decreased participation in the SaskBIO program.

3 Lower interest rates and reduced program uptake under the Small Business Loans Association Program.

4 Reduced program uptake under the Small Business Loans Association Program.

5 Ethanol Fuel Tax Rebate Program savings due to projected blend rates being lower than anticipated.

6 Enterprise Saskatchewan start-up prior to the agency being proclaimed.

7 Agency operating payment for Enterprise Saskatchewan total transfer is $22,082,000. Other miscellaneous items make up remaining amount.

## Revenues

The ministry reports revenue from the Small Business Loans Association Program related to application fees submitted by loan applicants, imputed interest revenue based on the amount of loan funds provided to clients each fiscal year, reimbursement of unexpended Regional Economic Development Authority funding, deferred interest and other miscellaneous revenue. All revenue is deposited in the General Revenue Fund.

Below is a summary of the Ministry of Enterprise and Innovation 2008-09 comparison of budgeted revenue to actual revenue.

| | *in thousands of dollars* | | | |
|---|---|---|---|---|
| | **2008-09 Estimate** | **2008-09 Actual** | **Variance Over/ (Under)** | **Notes** |
| **Revenue** | | | | |
| Other Interest Revenue | $ 484 | $ 459 | $ (25) | 1 |
| Sales, Services and Service Fees | 30 | 23 | (7) | |
| Other Revenues | 139 | 807 | 668 | 2 |
| **Total Revenue** | **$ 653** | **$ 1,289** | **$ 636** | |

## Financial Schedules – Notes

Explanations of variances that exceed $25,000 between Estimates and Actuals.

### Revenue

1 Interest revenue on SBLA loans lower than budget due to lower interest rates and reduced program uptake under the Small Business Loans Association Program.

2 Primarily attributed to refund of prior years' payables written off the books.

## Third Party Funding

**043 Third Party Funding 2008-09**

| Third Party Funding (Transfers) | Amount ($ Thousands) | Description |
|---|---|---|
| Regional Economic Development Authorities and Organizations | $ 1,793 | REDAs provide local administration and support services for regional economic development activities. |
| Small Business Loans Associations | $ 271 | SBLAs are community-run organizations that provide loans of up to $15,000 to entrepreneurs that have difficulty finding financing through traditional means. |
| Economic Partnership Agreements | $ 560 | Federal/provincial agreement to help build the province's capacity for economic development and growth through innovation. |
| Strategic Investment Fund | $ 2,966 | Provides support to the research capacity in the province and the development of innovative products and processes. |
| Ethanol Fuel Tax Grants | $ 19,281 | Funding to support the development of an ethanol industry in the province. |
| Saskatchewan Trade and Export Partnership Inc. (STEP) | $ 1,680 | Supports the international and domestic marketing activities of its members and clients for the benefit of Saskatchewan. |
| Enterprise Saskatchewan | $ 22,082 | Funding transferred to Enterprise Saskatchewan for operating costs. |
| Other Third Party Funding | $ 126 | Funding and sponsorships to support various economic development initiatives. |
| **Total** | **$ 48,759** | |

## Enterprise Saskatchewan

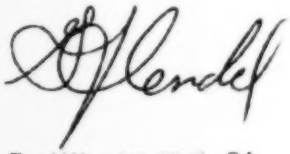
## Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the statement of financial position of Enterprise Saskatchewan as at March 31, 2009 and the statements of operations and accumulated surplus, changes in accumulated net financial assets and cash flows for the eight-month period then ended. Enterprise Saskatchewan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of Enterprise Saskatchewan as at March 31, 2009 and the results of its operations, and changes in net financial assets, and its cash flows for the eight-month period then ended in accordance with Canadian generally accepted accounting principles.



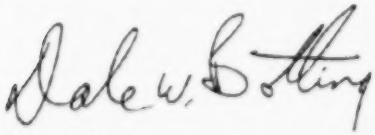
Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
June 19, 2009

# Enterprise Saskatchewan
# 2008 – 2009 Financial Statements
# for the Eight-Month Period
# Ended March 31, 2009

## Enterprise Saskatchewan
## Report of Management
## for the Eight-Month Period
## Ended March 31, 2009

The accompanying financial statements are the responsibility of the management of Enterprise Saskatchewan. They have been prepared in accordance with generally accepted accounting principles for the public sector, using management's best estimates and judgements, where appropriate. Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements, and other financial information contained in this report. Management is also responsible for maintaining a system of internal controls, policies and procedures designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Office of the Provincial Auditor has audited the agency's financial statements in accordance with generally accepted auditing standards and their report follows.



Dale Botting
Chief Executive Officer
June 29, 2009

Denise Haas, CMA
Chief Financial Officer
June 29, 2009

## Statement 1

### Enterprise Saskatchewan
### Statement of Financial Position
### as at March 31, 2009

*(thousands of dollars)*

| | |
|---|---|
| **Financial Assets** | |
| Due from General Revenue Fund (Note 3) | $ 14,515 |
| Accounts Receivable | 143 |
| | 14,658 |
| **Liabilities** | |
| Accounts Payable and Accrued Liabilities | 3,356 |
| **Net Financial Assets (Statement 3)** | 11,302 |
| **Non-financial Assets** | |
| Prepaid Expenses | 21 |
| **Accumulated Surplus (Statement 2)** | $ 11,323 |

(See accompanying notes to financial statements)

## Statement 2

### Enterprise Saskatchewan
### Statement of Operations and Accumulated Surplus
### for the Eight-Month Period Ended March 31, 2009

*(thousands of dollars)*

| | Budget | Actual |
|---|---|---|
| **Revenue** | | |
| Grants from the General Revenue Fund | $ 28,077 | $ 28,175 |
| Other | – | 191 |
| | 28,077 | 28,366 |
| **Expenses** | | |
| Administration | 4,124 | 3,753 |
| Regional Enterprise | 2,509 | 2,403 |
| Marketing and Investment Attraction | 3,178 | 2,346 |
| Competitiveness and Strategy | 951 | 937 |
| Sector Development and Innovation | 2,848 | 2,287 |
| Investment Programs | 14,467 | 5,317 |
| | 28,077 | 17,043 |
| **Annual Surplus** | $ – | $ 11,323 |
| **Accumulated Surplus, End of Period (Statement 1)** | | $ 11,323 |

(See accompanying notes to financial statements)

## Statement 3

### Enterprise Saskatchewan
### Statement of Change in Net Financial Assets
### for the Eight-Month Period Ended March 31, 2009

| | *(thousands of dollars)* |
|---|---|
| **Annual Surplus** | $ 11,323 |
| Increase in Prepaid Expenses | (21) |
| **Increase in Financial Assets** | $ 11,302 |
| **Net Financial Assets, at End of Period (Statement 1)** | $ 11,302 |

(See accompanying notes to financial statements)

## Statement 4

### Enterprise Saskatchewan
### Statement of Cash Flows
### for the Eight-Month Period Ended March 31, 2009

| | *(thousands of dollars)* |
|---|---|
| **Cash Provided by Operating Activities** | |
| Cash Receipts from General Revenue Fund | $ 28,032 |
| Cash Receipts from Other Operating Activity (e.g. cost recovery) | 191 |
| Cash Paid to Suppliers and Employees | (13,708) |
| **Cash Provided by Operating Activities** | $ 14,515 |
| **Increase in Due from General Revenue Fund** | 14,515 |
| **Due from General Revenue Fund, End of Period** | $ 14,515 |

(See accompanying notes to financial statements)

## Enterprise Saskatchewan Notes to the Financial Statements for the Eight-Month Period Ended March 31, 2009

### 1 Status of Enterprise Saskatchewan

Enterprise Saskatchewan was established under the provisions of *The Enterprise Saskatchewan Act* proclaimed on July 29, 2008.

Enterprise Saskatchewan was created to further the economic goals of the Government of Saskatchewan. Enterprise Saskatchewan is a corporate body eligible to receive monies primarily appropriated by the Legislature for these purposes.

### 2 Significant Accounting Policies

These financial statements are prepared using Canadian generally accepted accounting principles appropriate for the public sector and reflect the following significant accounting principles:

a) Revenue

Revenue is recognized in the period in which the transactions or events occurred that give rise to the revenue.

b) Expenses

Expenses represent the cost of resources consumed during the year for operations and grants made to third-party organizations. Grants are recognized as expenses in the period during which the transfer is authorized and eligibility criteria are met.

c) Non-financial Assets

Non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge existing liabilities unless they are sold.

d) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the Statement of Operations and Accumulated Surplus in the period in which they become known.

### 3 Due from the General Revenue Fund

Enterprise Saskatchewan's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. No interest is paid on Enterprise Saskatchewan's average daily account balance.

### 4 Budget Approval

Enterprise Saskatchewan's original budget was approved by the board on October 21, 2008. A revised budget was approved by the board on January 29, 2009 to more appropriately reflect the final structure of Enterprise Saskatchewan and appears on Statement 2.

## 5 Related Parties

| Related Parties | (thousands of dollars) |
|---|---|
| | 2009 |
| **Revenue** | |
| General Revenue Fund | $ 28,175 |
| **Expense** | |
| Ministry of Finance | $ 856 |
| Ministry of Government Services | 647 |
| Information Technology Office | 378 |
| Saskatchewan Research Council | 204 |
| SaskTel | 155 |
| Information Services Corporation of Saskatchewan | 59 |

These financial statements include routine transactions with related parties. Enterprise Saskatchewan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan.

The Ministry of Enterprise and Innovation provided management and administrative services to Enterprise Saskatchewan to November 30, 2008 without charge. The Public Service Commission provides Enterprise Saskatchewan with human resource administration and payroll services without charge.

Since November 1, 2008, Enterprise Saskatchewan provides the Minister of Enterprise and Innovation with ongoing administration of the Small Business Loans Association Program, Ethanol Fuel Grant Program, and the Labour-Sponsored Venture Capital Corporations Program. For each program, ongoing administration included the following:

- For the Small Business Loans Association Program, Enterprise Saskatchewan processed new loans of $1.273 million, collected loan repayments of $1.778 million, and monitored existing loans totalling $11.598 million at March 31, 2009.
- For the Ethanol Fuel Grant Program, Enterprise Saskatchewan processed new grants of $14.316 million.
- For the Labour-Sponsored Venture Capital Corporations Program, Enterprise Saskatchewan processed tax credits of $11.559 million and recovery of tax credits of $85,000. The total new capital of $58.437 million is being monitored for investment pacing requirements.

For each of these programs, the Ministry of Finance authorized and disbursed the related payments from the General Revenue Fund (GRF) and recorded the receipt of cash into the GRF, if any.

Related party transactions to March 31, 2009, include the following:

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, Enterprise Saskatchewan pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases.

## 6 Financial Instruments

Enterprise Saskatchewan's financial instruments include: Due from the General Revenue Fund, Accounts Receivable and Accounts Payable. The carrying amount of these instruments approximates fair value due to their short-term nature. These instruments have no material interest or credit risk.

## 7 Expense by Object

| | *(thousands of dollars)* |
|---|---|
| | **March 31, 2009** |
| **Expenses** | |
| Goods and Services | $ 3,953 |
| Grants and Transfers | 6,105 |
| Salaries and Benefits | 6,439 |
| Travel | 546 |
| | $ 17,043 |

## 8 Contractual Obligations

**Contractual Obligations**

*(thousands of dollars)*

| | Leases | Operational | Programming | Total |
|---|---|---|---|---|
| 2009-10 | $ 948 | $ 1,042 | $ 18,265 | $ 20,255 |
| 2010-11 | 702 | 508 | 3,334 | 4,544 |
| 2011-12 | 636 | 509 | 751 | 1,896 |
| 2012-13 | 611 | | 325 | 936 |
| 2013-14 | 589 | | – | 589 |
| | $ 3,486 | $ 2,059 | $ 22,675 | $ 28,220 |

Contractual obligations include:

- Enterprise Saskatchewan has lease agreements primarily with the Ministry of Government Services, a related party, for office space.
- Enterprise Saskatchewan has operating agreements that enable day-to-day operations of the agency.
- Enterprise Saskatchewan has program related obligations to expand innovation and enhance the competitive ability of the Saskatchewan economy such as Western Economic Partnership Agreement (WEPA), Strategic Investment Fund (STRAT), Community Development Trust Fund (CDTF) and Saskatchewan Trade and Export Partnership (STEP).

Contractual obligations do not include those contracts which are paid on a usage basis.

## 9 Designated Assets (thousands of dollars)

Enterprise Saskatchewan is holding $7,123 as designated assets to be spent on the following programs in the 2009-10 fiscal year.

- Strategic Investments Fund = $334
- Community Development Trust Fund = $3,015
- Western Economic Partnership Agreement = $3,774

# For More Information

This report provides information about our accomplishments and our future plans. If you have any additional questions or comments or would like a copy of the report, we invite you to call (306) 787-6315.

Or contact:

Enterprise Saskatchewan
Communications
300 - 2103 - 11th Avenue
Regina, SK S4P 3Z8

Or send us an e-mail through our website:
www.enterprisesaskatchewan.ca

Visit our website to find out about:

- 2009-10 Provincial Budget documents
- Plan for 2009-10
- Programs and services

The Enterprise Saskatchewan Board of Directors has published a March 2009 Progress Report, which highlights the Board recommendations and progress made on those recommendations over the last year.

# Appendices

## Loans and Guaranteed Debt

### Programs Managed by Enterprise Saskatchewan on Behalf of the Minister

### Vanguard Loan Guarantee

In 2005, the Province provided a five-year, $1.25-million loan guarantee to the Battlefords Credit Union Limited (BCUL) to enable a loan agreement between BCUL and Vanguard Inc.

Vanguard Inc. agrees to retain manufacturing operations in North Battleford while the guarantee remains in effect and to proceed with a planned plant expansion.

| *in thousands of dollars* | Budget | Actual | Variance Over/ (Under) |
|---|---|---|---|
| Beginning Balance | $ 1,250 | $ 1,250 | $ 0 |
| Additions | 0 | 0 | 0 |
| Reductions | 0 | 0 | 0 |
| **Ending Balance** | **$ 1,250** | **$ 1,250** | **$ 0** |

### HudBay Minerals Inc.

In 1991, the Province provided Hudson Bay Mining and Smelting Company Limited (HBMS) with an interest-free, $7.8-million advance to help finance a $178-million plant expansion and environmental refitting. The federal government also provided an interest-free loan of $25 million; the Bank of Nova Scotia provided an $80-million loan and the Government of Manitoba $47.2 million. Final payment on the loan was made in June 2008.

HBMS was sold to Ontzinc Corporation, and the operations have continued under the new name HudBay Minerals Inc.

| *in thousands of dollars* | Budget | Actual | Variance Over/ (Under) |
|---|---|---|---|
| Beginning Balance | $ 994 | $ 994 | $ 0 |
| Additions | 0 | 0 | 0 |
| Reductions | (994) | (994) | 0 |
| **Ending Balance** | **$ 0** | **$ 0** | **$ 0** |

## Loan Disclosure

### Small Business Loans Association Program

The Small Business Loans Association (SBLA) Program was established in 1989. SBLAs, which are community-run organizations, may access interest-free revolving lines of credit of up to $200,000. An SBLA then uses this line of credit to make loans of up to $15,000 to individual businesses. The program encourages the diversification of the province's economy and supports economic development by providing funding to entrepreneurs and small businesses.

| *in thousands of dollars* | **Budget** | **Actual** | **Variance Over/ (Under)** |
|---|---|---|---|
| Beginning Balance | $12,034 | $12,034 | $12,030 |
| Additions<br>- Loan Disbursements | 5,500 | 3,823 | 1,677 |
| Reductions<br>- Loan Loss Provision Balance<br>- Imputed Interest Costs Balance<br>- Client Remittances and Bad Debt Expense | 3,155<br>1,118<br>5,450 | 2,861<br>885<br>4,258 | 294<br>233<br>1,192 |
| **Ending Balance** | **$ 7,811** | **$ 7,853** | **$ (42)** |

### Explanation of Variance

In 2008-09, loan activity was down, which is typical in an economic upturn.

## Organizational Chart
### (Internal Organization as of March 31, 2009)